

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:1383

ANSWERED ON:02.08.2005

INCREASE IN LIMIT OF CAPITAL INVESTMENT IN SSIs

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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a) whether the Government propose to increase the limit of capital investment in small scale industry sector from Rs. 1 crore to Rs. 5 crore;
- (b) if so, the facts thereof;
- (c) the benefit estimated for small scale industries consequent upon above proposal; and
- (d) the estimated capital investment in the small scale industrial units at present?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): The Small and Medium Enterprises Development (SMED) Bill, 2005, which, inter alia, contains a proposal to increase the investment limit of small enterprises engaged in the manufacture or production of goods in plant and machinery from Rs. 1 crore to Rs. 5 crore has been introduced in Lok Sabha on 12.5.2005.

(c): The proposed enhancement in the investment limit of small enterprises in the SMED Bill, 2005 aims at facilitating the promotion and development and enhancing the competitiveness of these enterprises, by way of technological upgradation, modernisation of plant and machinery and attainment of economies of scale.

(d): The small scale industries are set up by individual entrepreneurs and registered by the respective State/Union Territory agencies. Information on the capital investment of individual small scale industrial units is not maintained at the Central Government level.